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## Bill S-211 - An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act

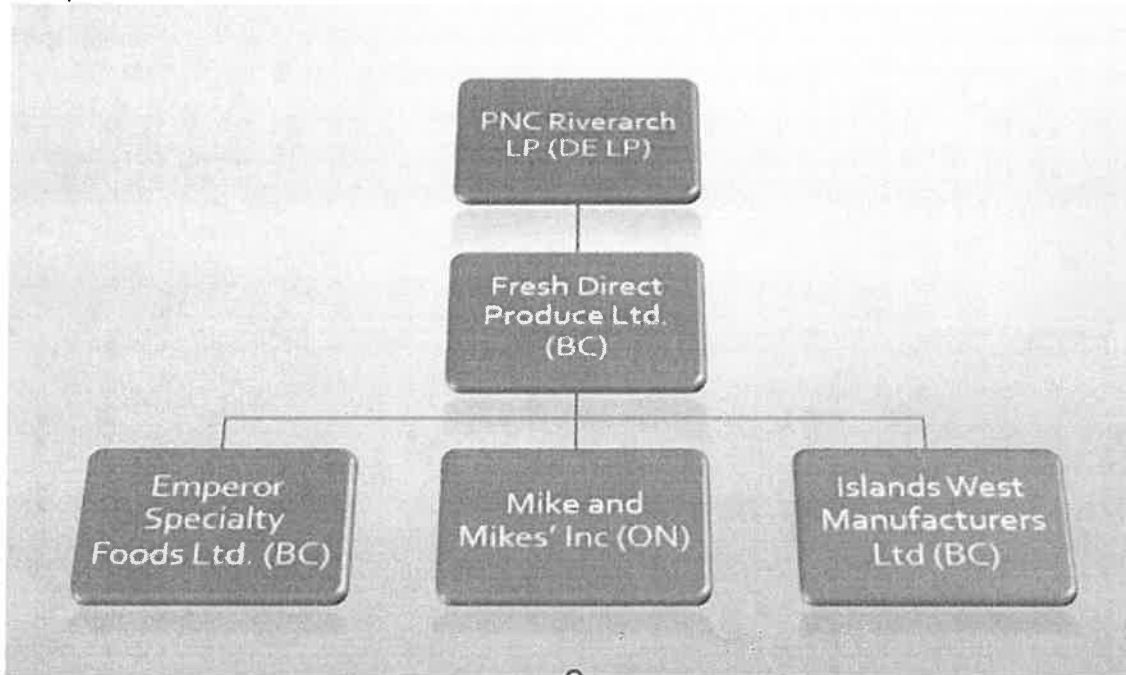
### Fresh Direct Produce Group's Modern Slavery Statement as of May 2024

This statement is made pursuant to Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and outlines Fresh Direct Produce Group's initiatives to address the risks of forced and child labour in its operations and supply chains as of May 2024.

Fresh Direct Produce Group and its affiliates are fully committed to eliminating all forms of forced or compulsory labour, abolishing child labour, eliminating employment discrimination, and ensuring a safe and healthy working environment for all employees and across its supply chain.

### FDPG Organizational Structure

Fresh Direct Produce Group is owned by the US private equity firm, PNC Riverarch LP. Fresh Direct Produce Ltd. (BC) is headquartered in Vancouver, BC, and was founded in 2003. It consists of three facilities, with two located in Vancouver and one located in Calgary. Fresh Direct Produce Ltd. (BC) also owns Emperor Specialty Foods and Islands West Manufacturers Ltd. located in BC and Mike and Mikes located in Ontario. See chart below. This report is filed for all Fresh Direct Group of companies.





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## Supply Chain

Fresh Direct Produce and its affiliates source from local and domestic farms and international suppliers from over thirty countries. In establishing our partnership network, we are committed to implementing our core values and ensuring that the products we provide our customers meet the high social, and health and safety standards. We recognize the responsibility that we share with our suppliers to eradicate forced and child labour within our supply chain.

We have over five hundred suppliers and over 10,000 items sourcing from approximately thirty countries – the majority of them located in Asia and the Americas. We purchase directly from grower shippers and brokers.

Some of the products we import are repacked at our Canadian facilities. Our sales are all in Canada; from family-owned neighborhood stores and national chains.

## Risks

Some of the risks we have identified are:

1. We source from suppliers and brokers across the globe.
2. We use temporary labour supplied by agencies at some of our facilities.
3. We source products at high risk for forced labour and child labour from countries identified by the US Department of labour.

## Actions Taken

Our supplier approval program is managed by our head office in Vancouver, BC. While each business unit selects its own suppliers, these suppliers must be evaluated and approved by the head office before they can be onboarded.

Our supplier program requires suppliers to meet agreed specifications, including providing copies of food safety documentation such as letters of guarantee, audit reports, certificates, and allergen checklists, as mandated by the Safe Food for Canadians Regulations.

As of 2024, we have added the additional requirement of requiring all our current and new suppliers to sign off on our Code of Conduct document which requires all our suppliers of services and goods to comply with **Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act** to highlight our commitment to respecting human rights and ensuring that forced labour and child labour is not a part of our supply chain. Our Code of Conduct also covers:



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- Occupational Health & Safety,
- Working Conditions & Security
- Forced Labor and Modern Slavery
- Child Labor and Young Workers
- Non-discrimination, harassment, or abusive behaviour
- Wages, Benefits, Terms of Employment
- Working Hours
- Freedom of Association
- Communication and Worker Protections
- Record Keeping and Monitoring and Compliance

The temporary agencies we use were required to sign a letter of guarantee confirming their compliance with all provincial labour regulations. They are now also required to sign the Code of Conduct. Additionally, two of our facilities have undergone social compliance audits.

#### **Our process of complying with Bill S-211 consists of:**

1. Collaborating with our legal team to draft the FDPG Code of Conduct for all our suppliers, outlining our commitment to raising awareness about forced labour and human trafficking and our efforts to eradicate forced labour in the supply chain.
2. Providing training to all personnel responsible for purchasing on modern slavery, business ethics, and our Supplier Code of Conduct.
3. Conducting a risk assessment of our suppliers and the products they supply using the US Department of Labor's List of Goods Produced by Child Labour or Forced Labour.
4. Sending the FDPG Code of Conduct to all active suppliers, requesting acknowledgment by signing in either English or Chinese and returning it to us.
5. Updating our Supplier Approval program to include this requirement.

We have sent our Code of Conduct to all our suppliers (over five hundred) and have received responses from approximately 65% of them. We continue to follow up with the remaining suppliers who have not yet returned a completed Code of Conduct.

#### **Remediation**

To date we have not identified any incident of forced/child labour within the company or with our suppliers and are working on a policy on what our strategy would be if we were to identify forced/child labour within our companies or supply chains. This may include delisting suppliers who are in violation of our code of conduct policy.



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## Training

We have currently provided training to all internal Purchasers on forced/child labour and business ethics.

In the future we will look at providing training on Bill S-211 including remediation and identifying the risks within our supply chain to our internal Purchasing department.

## Effectiveness

1. Our goal is to have 100% of our suppliers sign the Code of Conduct by next year. Suppliers that do not sign the Code of Conduct or provide us with a copy of their third-party social compliance audit will be investigated and, depending upon the result of the investigation, may be delisted.
2. We will be providing all employees annual awareness training on forced/child labour (FDPG Modern Slavery Policy) and on our Code of Conduct

This statement is made pursuant to Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act as of May 2024. It has been issued on behalf of Fresh Direct Produce Ltd and approved by Adri de Wet, President.

Signed by:

President

Adri de Wet

Date:

28 May 2024